

DEPOSIT CONTRACT

WHEREAS, _____
EMPLOYER

(hereinafter "**Employer**") has been certified to self-insure its Workers' compensation liability under the Kentucky Workers' Compensation Act (Kentucky Chapter 342 and the administrative regulations promulgated thereunder, as may be amended from time to time) upon the deposit

of _____
SURETY

with _____
BANK

hereinafter "**Bank**" at or through (bank's name and name of city)

BANK/CITY
Kentucky office, and which said _____ is/are
BANK

to be held subject to the joint control of "**Bank**" and the Office of Workers' Claims of the Commonwealth of Kentucky, except and on condition that **Employer** shall have the right to receive any dividends or interest accrued on said deposit.

NOW, THEREFORE, for the purpose of carrying into effect the above order and agreement, **Employer** designates **Bank** as the depository for said deposit and the Office of Workers' Claims hereby consents and approves of same.

IT IS UNDERSTOOD AND AGREED by and between the **Employer** and **Bank** that the aforesaid _____ is/are deposited with **Bank** in lieu of bonds
SURETY
of the said company, and as security for the payment of all past, present, future and potential liability of **Employer** pursuant to Chapter 342 of the Kentucky Revised Statutes and the administrative regulations promulgated pursuant thereto (hereinafter the "Kentucky Workers' Compensation Act") of the Commonwealth of Kentucky, to the extent of the sum of this deposit. **Bank** is prohibited from investing the deposit in any manner other than in U.S. government

bonds, U.S. Treasury notes, Treasury bills, or other direct obligations guaranteed by the full faith and credit of the United States government and its agencies; tax exempt obligations issued by the Commonwealth of Kentucky or its agencies with a minimum rating of "A" by Standard & Poor; obligations issued by a county, district, municipality or other legal authority with a minimum rating of "AA" by Standard & Poor; investment share accounts in a savings and loan association in Kentucky whose deposits are insured by a federal agency; or certificates of deposit if issued by a duly chartered commercial bank in Kentucky.

IT IS FURTHER UNDERSTOOD AND AGREED by the parties hereto that the

aforesaid _____ is/are not to be withdrawn by the said

SURETY

Employer except and upon written consent of **Office of Workers' Claims** and is to be and remain under the joint control of **Bank** and **Office of Workers' Claims** for the exclusive payment of any Workers' compensation liabilities past, present, future and potential of **Employer** until **Employer's** status as a self-insurer has terminated or been revoked by the Commissioner of the **Office of Workers' Claims**; and in such event the deposit shall assure the future payment of Workers' compensation obligations incurred by **Employer** prior to the termination or revocation.

When all liability of **Employer** for workers' compensation obligations covered by this agreement shall have been paid or lapsed under the Kentucky Workers' Compensation Act, the Office of Workers' Claims will furnish **Bank** its written consent to the withdrawal of said _____ and the return thereof to **Employer**; and

SURETY

following such return of _____ to **Employer**; pursuant to

SURETY

such consent of **Office of Workers' Claims**, **Bank** shall be released from any further obligation hereunder.

Dated this _____ day of _____, _____.

By: _____

Title: _____

